

Form 990-EZ

Department of the Treasury
Internal Revenue ServiceShort Form
Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form.

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-1150

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning

and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization		D Employer identification number
		ATLANTIC LEGAL FOUNDATION		23-2022920
		Number and street (or P.O. box, if mail is not delivered to street address)		Room/suite
		2039 PALMER AVENUE		104
City or town, state or country, and ZIP + 4		E Telephone number		
LARCHMONT, NY 10538		914-834-3322		
		F Group Exemption Number ▶		

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

I Website: ▶ WWW.ATLANTICLEGAL.ORG**J** Tax-exempt status (check only one) — ☒ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527**H** Check ☐ if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)**K** Check ☐ if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return.**L** Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts, if \$500,000 or more, file Form 990 instead of Form 990-EZ ▶ \$ 495,747.**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See the instructions for Part I)

Revenue	1	Contributions, gifts, grants, and similar amounts received	1	426,247.
	2	Program service revenue including government fees and contracts	2	25,195.
	3	Membership dues and assessments	3	
	4	Investment income	4	824.
	5a	Gross amount from sale of assets other than inventory	5a	
	5b	Less cost or other basis and sales expenses	5b	
	5c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
	6	Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here <input type="checkbox"/>		
	6a	Gross revenue (not including contributions reported on line 1)	6a	32,955.
	6b	Less direct expenses other than fundraising expenses	6b	51,369.
6c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c	-18,414.	
7a	Gross sales of inventory, less returns and allowances	7a		
7b	Less cost of goods sold	7b		
7c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c		
8	Other revenue (describe ▶ RENTAL INCOME)	8	10,526.	
9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8	9	444,378.	
Expenses	10	Grants and similar amounts paid (attach schedule)	10	
	11	Benefits paid to or for members	11	
	12	Salaries, other compensation, and employee benefits	12	305,956.
	13	Professional fees and other payments to independent contractors	13	33,534.
	14	Occupancy, rent, utilities, and maintenance	14	49,539.
	15	Printing, publications, postage, and shipping	15	26,864.
	16	Other expenses (describe ▶ SEE STATEMENT 1)	16	46,493.
	17	Total expenses. Add lines 10 through 16	17	462,386.
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	-18,008.
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	239,601.
	20	Other changes in net assets or fund balances (attach explanation)	20	
	21	Net assets or fund balances at end of year. Combine lines 18 through 20	21	221,593.

Part II Balance Sheets. If Total assets on line 25, column (B) are \$1,250,000 or more, file Form 990 instead of Form 990-EZ

(See the instructions for Part II)

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	225,316.	22 204,429.
23 Land and buildings		23
24 Other assets (describe ▶ SEE STATEMENT 2)	36,256.	24 47,466.
25 Total assets	261,572.	25 251,895.
26 Total liabilities (describe ▶ SEE STATEMENT 3)	21,971.	26 30,302.
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	239,601.	27 221,593.

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LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Part V Other Information (Note the statement requirements in the instructions for Part V.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
34	Were any changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the changes	X	
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T.		
35a	Did the organization have unrelated business gross income of \$1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?		X
35b	If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Sch. N		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions	37a	0.
37b	Did the organization file Form 1120-POL for this year?		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the period covered by this return?	38a	X
38b	If "Yes," complete Schedule L, Part II and enter the total amount involved	38b	N/A
39	Section 501(c)(7) organizations Enter.	39a	N/A
39a	Initiation fees and capital contributions included on line 9	39b	N/A
39b	Gross receipts, included on line 9, for public use of club facilities		
40a	Section 501(c)(3) organizations Enter amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>	40b	X
40b	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		
40c	Section 501(c)(3) and 501(c)(4) organizations Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
40d	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization		0.
40e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T		X
41	List the states with which a copy of this return is filed <u>PA, NY, MD, WV, NJ, CA</u>		
42a	The organization's books are in care of <u>ROSEMARY L. WEBBER</u> Telephone no <u>(717) 653-5920</u> Located at <u>1537 EMERSON DRIVE, MT. JOY, PA</u> ZIP + 4 <u>17552</u>		
42b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <u>See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</u>	42b	X
42c	At any time during the calendar year, did the organization maintain an office outside of the U.S.? If "Yes," enter the name of the foreign country <u></u>	42c	X
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	43	N/A
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ	44	X
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ	45	X

Form 990-EZ (2009)

Part VI **Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only.** All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46-49b and complete the tables for lines 50 and 51.

- 46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I
- 47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II
- 48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E
- 49a Did the organization make any transfers to an exempt non-charitable related organization?
- b If "Yes," was the related organization a section 527 organization?
- 50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None"

	Yes	No
46		X
47		X
48		X
49a		X
49b		

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				

f Total number of other employees paid over \$100,000

- 51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None"

NONE

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation

d Total number of other independent contractors each receiving over \$100,000

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.		
	Signature of officer <i>William H. Slattery</i>	Date May 13, 2010	
	Type or print name and title WILLIAM H. SLATTERY, PRESIDENT		
Paid Preparer's Use Only	Preparer's signature <i>Tomas Blum</i>	Date 5/12/10	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP + 4 O'CONNOR DAVIES MUNNS & DOBBINS, LLP 60 EAST 42ND STREET, 36TH FL. NEW YORK, NY 10165-3698	Preparer's identifying number (See Instr.) P00234022	EIN 13-3385019
		Phone no (212) 286-2600	

May the IRS discuss this return with the preparer shown above? See instructions

☒ Yes ☐ No

Form 990-EZ (2009)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

ATLANTIC LEGAL FOUNDATION

Employer identification number

23-2022920

Part I	Reason for Public Charity Status (All organizations must complete this part.) See instructions.
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The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1** ☐ A church, convention, association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in **(ii)** and **(iii)** below, the governing body of the supported organization?

(ii) A family member of a person described in **(i)** above?

(iii) A 35% controlled entity of a person described in **(i)** or **(ii)** above?

h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

[illegible]

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	433,837.	551,504.	481,222.	608,735.	426,247.	2,501,545.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	433,837.	551,504.	481,222.	608,735.	426,247.	2,501,545.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						727,588.
6 Public support. Subtract line 5 from line 4						1,773,957.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	433,837.	551,504.	481,222.	608,735.	426,247.	2,501,545.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	3,130.	3,492.	4,029.	2,173.	824.	13,648.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						2,515,193.
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	70.53	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	68.20	%
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>			
b 33 1/3% support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
17a 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
b 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>			

Schedule A (Form 990 or 990-EZ) 2009

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Schedule A (Form 990 or 990-EZ) 2009

Department of the Treasury
Internal Revenue Service

► **Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.**
 ► **Attach to Form 990 or Form 990-EZ.** ► **See separate instructions.**

OMB No 1545-0047

2009

Open To Public Inspection

Name of the organization

ATLANTIC LEGAL FOUNDATION

Employer identification number

23-2022920

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ **Yes**☐ **No**

- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

[illegible]**Total**

- 3** List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

	(a) Event #1	(b) Event #2	(c) Other events NONE	(d) Total events (add col. (a) through col. (c))
Revenue	AWARD DINNER (event type)	(event type)	(total number)	
	1 Gross receipts	130,300.		130,300.
	2 Less: Charitable contributions	97,345.		97,345.
	3 Gross income (line 1 minus line 2)	32,955.		32,955.
Direct Expenses	4 Cash prizes			
	5 Noncash prizes			
	6 Rent/facility costs			
	7 Food and beverages			
	8 Entertainment			
	9 Other direct expenses			
	10 Direct expense summary. Add lines 4 through 9 in column (d)			()
	11 Net income summary. Combine line 3, column (d), and line 10			32,955.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

	(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue				
1 Gross revenue				
Direct Expenses	2 Cash prizes			
	3 Noncash prizes			
	4 Rent/facility costs			
	5 Other direct expenses			
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
7 Direct expense summary. Add lines 2 through 5 in column (d)				()
8 Net gaming income summary. Combine line 1, column (d), and line 7				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states?

b If "No," explain:

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

b If "Yes," explain:

11 Does the organization operate gaming activities with nonmembers?

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

	Yes	No
9a		
10a		
11		
12		

13 Indicate the percentage of gaming activity operated in:**a** The organization's facility**13a** %**b** An outside facility**13b** %**14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?**15a****b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____**c** If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

☐ Director/officer☐ Employee☐ Independent contractor**17** Mandatory distributions:**a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?**17a****b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

FORM 990-EZ	OTHER EXPENSES	STATEMENT	1
DESCRIPTION		AMOUNT	
OFFICE SUPPLIES		2,566.	
TELEPHONE		4,144.	
EQUIPMENT		4,081.	
TRAVEL		5,851.	
MEETINGS		8,592.	
INSURANCE		8,900.	
DUES & SUBSCRIPTIONS		5,544.	
BANK SERVICE CHARGES		1,519.	
MISCELLANEOUS		5,296.	
TOTAL TO FORM 990-EZ, LINE 16		46,493.	

FORM 990-EZ	OTHER ASSETS	STATEMENT	2
DESCRIPTION	BEG. OF YEAR	END OF YEAR	
ACCOUNTS RECEIVABLE	12,342.	7,134.	
UNCONDITIONAL PROMISES TO GIVE	3,400.	20,750.	
PREPAID EXPENSES	12,484.	11,552.	
SECURITY DEPOSIT	8,030.	8,030.	
TOTAL TO FORM 990-EZ, LINE 24	36,256.	47,466.	

FORM 990-EZ	OTHER LIABILITIES	STATEMENT	3
DESCRIPTION	BEG. OF YEAR	END OF YEAR	
ACCOUNTS PAYABLE & ACCRUED EXPENSES	21,971.	30,302.	
TOTAL TO FORM 990-EZ, LINE 26	21,971.	30,302.	

FORM 990-EZ

INFORMATION REGARDING TRANSFERS
ASSOCIATED WITH PERSONAL BENEFIT CONTRACTS

STATEMENT 4

- A) DID THE ORGANIZATION, DURING THE YEAR, RECEIVE ANY FUNDS,
DIRECTLY OR INDIRECTLY, TO PAY PREMIUMS ON A PERSONAL
BENEFIT CONTRACT? [] YES [X] NO
- B) DID THE ORGANIZATION, DURING THE YEAR, PAY PREMIUMS,
DIRECTLY OR INDIRECTLY, ON A PERSONAL BENEFIT CONTRACT? . . [] YES [X] NO

ATLANTIC LEGAL FOUNDATION
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Suite 104
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EIN # 23-2022920

Activities in 2009

Atlantic Legal Foundation's Mission

The mission of the Atlantic Legal Foundation is to advance the rule of law by advocating limited and efficient government; free enterprise; individual liberty; school choice; and sound science.

Atlantic Legal is a nonprofit, nonpartisan public interest law firm with a demonstrable history of fighting for the integrity of the judicial process by ensuring that courts apply sound legal and scientific principles. Atlantic Legal provides legal representation and advice, without fee, to individuals, corporations, scientists, educators, trade associations, and other groups.

In case after case, Atlantic Legal brings about favorable resolutions for clients who continue to be challenged by those who use the power of government or the legal process to deny fundamental rights and liberties.

Activities and Programs

Constitutional Law

Equal Protection

Ricci v. DeStefano (United States Supreme Court, *amicus*)

In February 2009, the Foundation filed an *amicus* brief on the merits on behalf of several prominent legal and political science scholars, including well-known legal blogger and UCLA Law Professor Eugene Volokh and Abigail Thernstrom, Vice Chair of the U.S. Civil Rights Commission, in support of petitioners in what has been described as the most important Equal Protection case in a decade.

The City of New Haven, Connecticut administered a civil service examination for fire department promotions. The exam produced racially disproportionate results – most of the eligible candidates

were white, and no black candidates scored well enough to be promoted. As a result, New Haven refused to certify the examination. Ricci and other candidates who scored well on the examination, and thus were eligible for promotion, sued New Haven, claiming racial discrimination against the high scoring candidates. Ricci and the other petitioners claimed New Haven discriminated against them on the basis of race in violation of the Equal Protection Clause and Title VII. New Haven, on the other hand, claimed it was complying with Title VII in declining to certify the exam and thus did not violate either the Equal Protection Clause or Title VII. The district court granted summary judgment for New Haven, reasoning that since no candidates were promoted, there was no discrimination. The U.S. Court of Appeals for the Second Circuit affirmed.

The firefighters argued that the City's actions constituted intentional race discrimination, because it denied promotions to successful candidates based on race – too few of the candidates who scored well enough to be promoted were of the “correct” race (*i.e.*, African-American). They also argued that intentional discrimination cannot be excused as “voluntary compliance” with Title VII or because the City administration unjustifiably feared that the racial distribution of the exam results might be construed as unintentional disparate-impact discrimination. Permitting intentional discrimination as a remedy for unproven and unasserted unintentional disparate impact subverts the essential purpose of nondiscrimination guarantees, allowing public and private employers to play racial politics in hiring and promotion decisions.

The Supreme Court held that New Haven had engaged in “express, race-based decision making” when it declined to certify the examination results because of the statistical disparity based on race, “*i.e.*, how minority candidates had performed when compared to white candidates.” Any permissible justifications for disparate treatment must be grounded in a strong basis in evidence. “[O]nce [a] process had been established and employers have made clear their selection criteria, they may not then invalidate the test results, thus upsetting an employee’s legitimate expectation not to be judged on the basis of race. Doing so, absent a strong basis in evidence of an impermissible disparate impact, amounts to the sort of racial preference that Congress has disclaimed . . . and is antithetical to the notion of a workplace where individuals are guaranteed equal opportunity regardless of race.”

The Court reasoned that mere “apprehension of, and desire to avoid, litigation could not excuse a race-based promotion decision that denied the successful candidates promotions they had earned.” The City would have to “demonstrate a strong basis in evidence that, had it not taken the action, it would have been liable under the disparate-impact statute,” and that New Haven cannot meet that threshold standard.

Our *amicus* brief argued that plaintiffs did not need to show racial “animus” to make out a case for intentional discrimination under the Equal Protection Clause. We argued that New Haven's actions must be reviewed under “strict scrutiny” because race-based government actions trigger strict

scrutiny, requiring the government to show both a compelling state interest and that the action was narrowly tailored to meet that interest. The decision not to certify the exam was based on race – New Haven relied on "raw racial labels and distributions" to reach its decision not to certify and thus deny promotion. Even if the decision not to certify was facially race-neutral, a racial motivation may trigger strict scrutiny and the decision not to certify because the higher scoring candidates were not black is a racial motivation which triggers strict scrutiny. New Haven fails strict scrutiny review because New Haven lacks a compelling state interest in declining to certify the exam and denying promotions to the higher scoring candidates.

Our participation in this case was in the public interest because we presented to the Supreme Court the views of renowned constitutional scholars.

GEOD Corporation v. New Jersey Transit Corporation (U.S. District Court, New Jersey, First Chair)

For many of its construction and engineering and design contracts, NJ Transit has set "Disadvantaged Business Enterprise" "goals" ranging from 20% to 30%. Some of NJ Transit's funding is derived from the State of New Jersey, and projects funded through state funding are subject to the consent decree in *GEOD v. New Jersey*, which prohibits the State of New Jersey and its agencies from requiring that a certain percentage of contracts or subcontracts be awarded to minority or woman-owned businesses. However, the vast majority of NJ Transit's funding is from U.S. Department of Transportation programs, and thus subject to the Department's DBE criteria. Federal regulations establish an "aspirational" 10% DBE participation for projects receiving federal funding, but leave the calculation of appropriate goals, and the means of achieving them, to state agencies and other entities that receive federal funding. The federal regulations also require recipients of federal funds to utilize "race neutral" measures to the maximum extent possible to attain "DBE goals."

This case is a follow-on to our earlier *GEOD v. State of New Jersey*, which resulted in a consent decree in which the state conceded that its minority and woman-owned business enterprise program violated the Equal Protection Clause, and in which the state agreed to abolish its M/WBE program and substitute a race-neutral "Emerging Small Business Enterprise" program for state-funded capital projects to use race-neutral measures to the maximum extent possible on federally-funded projects. The ESBE program has been very successful, has attracted significant minority and woman-owned business participation, and has permitted the state Department of Transportation to reduce its race-conscious "goals" on federally-funded projects to a negligible level.

In the current case, our client alleges (1) that NJ Transit's DBE program for federally-funded capital projects is based on a "disparity study" that is methodologically unsound so there is no "strong

evidence” of past or present discrimination and that NJ Transit does not have a “compelling interest” in remedying actual present or past discrimination or its effects, (2) that NJ Transit’s DBE program is not “narrowly tailored” to remedy past or present discrimination against specified groups, and (3) that NJ Transit does not use “race neutral” means to the maximum possible extent. This case is designed to extend the mandatory use of race-neutral measures, instead of race-conscious measures, to federally-funded capital projects in New Jersey.

In *NJ Transit*, we are advocating that a similar race-neutral small business enterprise program should be used to satisfy NJ Transit’s federal DBE goals. In 2009, discovery was completed, and expert reports and expert rebuttal reports were exchanged. Both sides filed motions for summary judgment, which were granted in part and denied in part. The Court held that the establishment of a requirement that recipients of federal funds establish annual “Disadvantaged Business Enterprise” goals was sufficient for NJ Transit to meet the “compelling interest” test for having a race-conscious program; the Court also held, however, that a trial was needed to resolve the issue whether NJ Transit’s DBE program is “narrowly tailored” to remedy current discrimination or the lingering effects of past discrimination.

Two weeks of trial concluded in late March, 2010. We hope to have persuaded the judge, who heard the case without a jury, that U.S. Supreme Court precedents and the federal regulations themselves require that NJ Transit’s Disadvantaged Business Enterprise program be narrowly focused on remedying identified discrimination in its own market, reflect the actual availability of disadvantaged businesses to do work on NJ Transit contracts and use “race neutral” measures to remedy that discrimination to the maximum extent feasible.

We hope to have shown that NJ Transit’s race-conscious DBE goals are not “narrowly tailored” for several reasons: first, NJ Transit’s DBE program includes at least one racial or ethnic group as to which there is no evidence of discrimination in NJ Transit’s market; second, NJ Transit has identified two sources of discrimination, but has not taken steps to eliminate that identified discrimination; third, NJ Transit grossly inflates the “availability” of disadvantaged business enterprises which are “ready, willing and able” to do work on NJ Transit projects, and thus inflates the annual “DBE goals”; fourth, NJ Transit has not utilized “race neutral” measures recommended by the federal regulations and by its own consultant to remedy discrimination to the maximum extent feasible; and fifth, NJ Transit has not considered the impact of its DBE program on non-DBE firms.

This case is in the public interest because we are attempting to make a major public agency which spends hundreds of millions of taxpayer dollars on capital projects comply with the equal protection requirements of the federal constitution.

Due Process

***United States v. San Diego Gas & Electric, et al.* (U.S. Court of Appeals, Ninth Circuit, *amicus*)**

Atlantic Legal successfully represented three national trade associations — the American Gas Association, the National Association of Manufacturers, which generally represents large manufacturers, and the National Federation of Independent Businesses, which represents small businesses of all types — as *amici* opposing the federal government's appeal of an order granting a new trial in a criminal prosecution of alleged violations of the Clean Air Act ("CAA") by a major California gas and electric utility company, which was accused of technical violations of standards for reporting potential emissions of asbestos. At trial, the government relied on a testing protocol and sampling method which its own testing laboratories rarely use and which the trial court has previously ruled not to be applicable.

We argued that the trial court's new trial order was warranted because the defendants did not have fair notice of EPA's novel interpretation of complex technical regulations and EPA's change in testing standards. The asbestos NESHAP does not specify *how* the test results are to be combined, and nothing in the regulation addresses multi-layered materials. It is undisputed that the Government proceeded "under [a] single-layer test method" before prosecution of this case, and argued for the first time that the regulation permits *only* volumetric combinations and that weight-based averaging of layers is prohibited. Permitting the government to proceed under such a novel theory in a criminal prosecution of first impression violated defendants' due process rights because they lacked fair notice that multi-layered materials would be subject to regulation even if they contained less than 1% asbestos when averaged by weight.

The Ninth Circuit affirmed the district court's order granting a new trial, in part on the "regulatory fair notice" grounds we addressed. The government has decided not to retry the case.

The Foundation's participation in this case was in the public interest because we brought the views of important segments of the nation's economy to the attention of the court.

***General Electric v. Jackson* (U.S. Court of Appeals, D.C. Circuit, *amicus*)**

The Foundation filed an *amicus* brief on behalf of the National Association of Manufacturers in support of a challenge by General Electric Co. to the widespread use by the Environmental Protection Agency of "Unilateral Administrative Orders". UAOs are issued to compel "Potentially Responsible Parties" to clean up toxic waste sites under Section 106 of CERCLA. Our brief supports GE's argument that EPA's use of UAOs in non-emergency situations violates the due process rights of PRPs.

GE sued EPA, alleging that Section 106 violates due process, both on its face and as applied by EPA, because neither option affords a PRP with a pre-deprivation opportunity to challenge the UAO before a neutral decision-maker. The district court granted summary judgment to EPA.

The case raises important issues that could have wide impact on the power of the EPA. CERCLA authorizes EPA to issue UAOs requiring a PRP to conduct response actions at a contaminated site. Upon receipt of a UAO, a PRP has two options: (1) it may comply with the UAO, in which case it can only challenge the issuance of the UAO through a cost reimbursement action after the response action is completed, or (2) it may refuse to comply, in which case it is subject to penalties of \$32,500 per day and treble damages for any costs incurred by EPA in carrying out the response action; and, it cannot challenge the UAO until EPA brings an enforcement action.

The Foundation argues that the district court's findings of fact are inconsistent with its decision on the law that EPA is entitled to judgment. We also argue that due process requires that a person be afforded a hearing before a neutral decision-maker before he can be deprived of property or liberty, unless there are exigent circumstances. The district court found that there were no exigent circumstances and the court's inquiry should have stopped at that point, and found for GE.

The case has been scheduled for oral argument in May 2010.

Atlantic Legal's participation in this appeal is in the public interest because our efforts brought the views of a major national trade association to the attention of the court.

Commonwealth of Pennsylvania v. Janssen Pharmaceutical, Inc. (Pennsylvania Supreme Court, *amicus*)

Atlantic Legal filed an *amicus* brief in challenging a trial court's refusal to disqualify a Texas law firm from serving as counsel for the Commonwealth of Pennsylvania. The defendant pharmaceutical company raised constitutional objections to the Commonwealth's use of private contingent fee counsel. It argued that the contingent fee arrangement violated the Pennsylvania Constitution and the doctrine of separation of powers, because it commits the Commonwealth to pay private counsel a portion of any recovery, without express authorization from the General Assembly, and that the contingent fee arrangement also violated the company's rights to due process under the United States and Pennsylvania constitutions, which guarantee that attorneys representing the Commonwealth, acting in its capacity as sovereign, have no direct financial interest in the outcome.

The contingent fee contract was not the subject of any competitive bidding or legislative authorization. Rather, the contract appears to be the product of private negotiations between the

Governor's Office of General Counsel and the law firm. Under the contract, the law firm can receive as much as 15% of any recovery.

Moreover, in a significant deviation from previous contingent fee contracts executed on behalf of the Commonwealth, this contract does not include an express provision for "Control and Management of the Litigation." It instead contains a "Consultation" paragraph that merely obligates the firm to "consult with" the Office of the General Counsel and to deal with the OGC as it would with any other client. The pharmaceutical company argues that OGC has delegated at least a substantial part of the "Control and Management" of this litigation to its outside contingent fee counsel.

Atlantic Legal argued that (i) due process requires that those who exercise the Commonwealth's power in legal proceedings act impartially and without a financial stake in the outcome, (ii) contingent fee counsel's substantial financial interest in the outcome of this action prevents the Commonwealth from exercising its powers impartially, and (iii) the Commonwealth did not need to retain private outside contingent fee counsel to pursue its case, because the Office of General Counsel itself claims to be the "largest legal enterprise in the Commonwealth of Pennsylvania, employing approximately 500 attorneys...[whose work] is as sophisticated and professionally challenging as that performed by our counterparts in the private sector."

We are awaiting a decision from the Pennsylvania Supreme Court.

The Foundation's participation in this case is in the public interest because the issue of states retaining private, for profit, law firms creates potential conflicts of interest that demean the role of state attorneys general as advocates for the public.

Free Speech

***IMS Health v. Sorrell* (U.S. Court of Appeals, Second Circuit, *amicus*)**

In July, 2009, Atlantic Legal filed an *amicus* brief in support of a challenge to the Vermont Prescription Restraint Law. That law prohibits pharmacies from selling prescribers'-identifiable data for commercial purposes without the prescribers' (doctors') consent. A patient's privacy is not implicated because the prescription information that the pharmacies provide to IMS Health Incorporated and others contains no patient-identifiable information.

IMS Health, and the other publisher-plaintiffs, purchase, compile, and disseminate prescriber data for use by pharmaceutical companies, government agencies, and others. The pharmacies believe that compilation and dissemination of the data enables transparency and improvement in the provision

of healthcare because the dissemination of prescriber-identifiable data enable pharmaceutical companies to determine which doctors should be informed about new medications that may benefit their patients.

The case is awaiting decision. Atlantic Legal's participation is in the public interest because the sharing of medical information provides important benefits to the health care system.

Separation of Powers

Larabee v. Governor of the State of New York (New York Court of Appeals, *amicus*)

The New York State Legislature is often said to be dysfunctional. A prime example is its refusal to award the state judiciary any increase in compensation for more than ten years, due to a practice termed "linkage": members of the Legislature will not award judges an increase without an increase in their own pay. Two lawsuits filed on behalf of the judiciary challenged the use of linkage as a violation of the Separation of Powers Doctrine, among other theories. Intermediate appellate courts reached opposing conclusions as a matter of state constitutional law.

In our *amicus* brief we pointed out the widespread agreement that compensation of New York State judges is critically inadequate. We argued that lack of judicial experience and expertise in commercial matters can have negative impact on the quality of decisions handed down in commercial cases, especially in complex litigation, and may increase the costs of litigation due to error, appeals and delays. The business community needs an efficient, reliable judiciary to avoid and to resolve controversies. Without an experienced, diverse and skilled judiciary, business activity will lose faith in the ability of the State's judicial system to resolve lawsuits promptly and competently, and New York State's economy will suffer.

In late February, 2010, the Court ruled that the Legislature had disregarded the Separation of Powers Doctrine and threatened the independence of the judiciary. However, the Court declined to prescribe specific relief and sent the matter back to the state legislature to fashion a remedy.

The Foundation's participation in this case was in the public interest because adequate compensation of judges is essential to the proper functioning of the judicial system.

Government Regulation

EPA v. Saturn Chemical Co. (New Jersey Superfund Site) (U.S. District Court, New Jersey, First Chair)

Together with K & L Gates¹, we represented a small chemical manufacturers, Saturn Chemical Company (now defunct), and PolySat Inc., and the principal of both, in defending a recovery claim by the Environmental Protection Agency under §107(a) of CERCLA. EPA demanded a judgment of approximately \$1.5 million for clean-up costs.

EPA conducted a "Removal Action" at a site in Trenton, New Jersey which had been leased and used many years earlier by Saturn Chemical based on (1) the belief that chemicals in tanks which had been owned and abandoned by Saturn Chemical were ignitable, which would make it hazardous waste and (2) findings of a consultant's 1996 environmental report claiming that the site was contaminated.

In addition to inconsistencies in EPA's test results, there was a very strong "divisibility" defense: Lawrence Township had acquired title to the property, and hired Mercer Wrecking, a private contractor, to remove the tanks. We alleged that Mercer Wrecking was on notice that the tanks contained chemicals, but improperly handled the tanks, causing one of them to rupture and leak. We served third-party complaints against Lawrence Township and Mercer Wrecking; the parties exchanged the required "preliminary disclosures" and a mediation session was held in early March 2009.

After we had impleaded the local township and its contractor, the parties negotiated a settlement- about midway between Saturn's initial offer and EPA's initial demand- with significant contribution by the third-party defendants. While this was a satisfactory conclusion for our clients, the case made no law limiting the power of EPA to engage in excessive abatement and clean-up action.

Atlantic Legal Foundation's participation in this case was in the public interest because it raises significant issues of the integrity of EPA's testing procedures, the "divisibility" defense under CERCLA, and EPA's failure to adhere to the limitations on its expenditures delineated by the statute.

¹ Atlantic Legal was "special counsel" to Saturn's counsel, K&L Gates.

Sound Science in the Courtroom

Sancho v. United States Department of Energy (U.S. Court of Appeals, Ninth Circuit, *amicus*)

Atlantic Legal is representing three eminent scientists, Richard Wilson and two Nobel laureates in Physics, supporting the defendants in resisting a challenge to the U.S. government's support of the Large Hadron Collider ("LHC"), a subatomic particle accelerator built and operated by the European Organization for Nuclear Research ("CERN") near Geneva, Switzerland.

The plaintiffs sued the United States Department of Energy, the National Science Foundation, and CERN, claiming that their financial participation in the LHC project was a "major" government action that required preparation of an environmental impact statement before the United States undertook its action and that they violated National Environmental Policy Act ("NEPA"). Plaintiffs, who claim to be "scientists," assert that the LHC can produce "black holes" or other cosmological anomalies which threaten the very existence of the planet. The district court (in which we also filed an *amicus* brief) granted the federal defendants' motion to dismiss.

One of the plaintiffs has appealed and we filed a brief in support of Respondents. Appellant's argument focuses in significant part on our brief below. Our brief demonstrates that Appellant's brief shows a deep and fundamental misunderstanding of the scientific process.

Oral argument has been scheduled for June 2010. In the meantime, the Large Hadron Collider at CERN has recently begun operation, and so far has produced no black holes or other catastrophic cosmological anomalies.

Atlantic Legal's participation in this case is in the public interest because we have brought to the court's attention the scientific knowledge and views of prominent scientists who have a profound understanding of the importance of the LHC to discovering the basis of our knowledge of fundamental laws of physics.

Asbestos Litigation

California has become an important battleground state in the attempt to have courts apply the principles of science to cases involving significant science issues. California has steadfastly refused to accept the federal *Daubert* principles, but in a number of earlier cases in which the Foundation participated, its courts have articulated some sensible principles which reflect a sound approach. One such case is *Rutherford v. Owens-Illinois, Inc.*, (1997) 16 Cal. 4th 953, 982, in which the California Supreme Court articulated a "substantial factor" test for determining medical causation. Unfortunately, California trial and intermediate appellate courts have misapplied the "substantial

factor" test, especially in asbestos cases. In the past year, the Foundation has participated in several cases in which we are trying to have the California Supreme Court clarify and reinforce its teaching in *Rutherford* and the Court of Appeals' teaching in *In re Lockheed Litig. Cases*, (2004) 115 Cal.App.4th 558 (speculative, remote or conjectural expert testimony and conclusions have no evidentiary value).

Norris, et al. v. Crane Company (California Supreme Court, *amicus*), ***Behshid v. Bondex International, Inc.*** (California Supreme Court, *amicus*) and ***Mahoney v. Georgia-Pacific LLP*** (California Court of Appeal, *amicus*).

These are a triad of asbestos liability cases in California state court. In *Norris* and *Behshid*, the Foundation filed "*amicus* letters" with the California Supreme Court and in *Mahoney* an *amicus* brief on the merits on behalf of numerous prominent scientists, including Nobel laureates (in Medicine and in Physics), a former director of the National Center for Toxicological Research, a former director of the National Cancer Institute, and a professor emeritus of Biochemistry and Molecular Biology at the University of California, Berkeley, urging that court to grant the petition for review filed by defendants (in *Norris* and *Behshid*) and to reverse a trial court judgment for plaintiff in *Mahoney* because in each case the plaintiff (or decedent) had been exposed only to chrysotile asbestos used in products manufactured by the defendants.

The best and most current scientific studies teach that chrysotile asbestos is far less likely to cause mesothelioma than other forms of asbestos, and then only at very high exposures -- which were not present in these cases.

We argued that under California law, plaintiffs in asbestos cases must meet the same burden for proving "causation in fact" as plaintiffs in other types of personal injury cases, and therefore must show that their exposure was a "substantial factor" in causing the injury. The lower courts made a number of significant errors in their understanding of the relevant science. For example, they assumed that chrysotile asbestos has been shown to cause mesothelioma in observational studies and therefore the plaintiffs satisfied "general causation." However, as we pointed out, the current scientific evidence is that the chrysotile form of asbestos is at least 20-fold less potent as a cause of mesothelioma than amphibole asbestos, which was present in products of other companies used by the mesothelioma victim, and that the exposure to asbestos from defendants' products in each case was so minimal that the claim that exposure to chrysotile asbestos caused the disease cannot be supported, and is at best "speculative, remote or conjectural."

Unfortunately, the appellate courts let the verdicts stand. It appears that in California the plaintiff's burden of proof in asbestos cases is, effectively, lower than in other product liability or toxic exposure cases.

The Foundation's participation in these cases was in the public interest because it is important to the development of the law that uniform principles of proof of causation apply in all classes of cases, and that special rules not be employed for particular products.

"Daubert in the States"

The U.S. Supreme Court decision in *Daubert v. Merrell Dow Pharmaceuticals, Inc.* quickly became a seminal case on the admissibility of expert advice in federal court proceedings under Fed.R.Evid. 702. As noted above, it was followed in 1997 by *General Electric Co. v. Joiner*, and in 1999 by *Kuhmo Tire Co. v. Carmichael*, both of which elaborated and expanded the Court's teaching in *Daubert*. Together, these three cases have had far-reaching impact on product liability, environmental exposure and other cases in federal courts. In 2002, the Federal Rules of Evidence were amended to incorporate the criteria articulated in *Daubert*.

Numerous states adopted Fed.R.Evid. 702 or a variation of it. Some, but not all, of them have also adopted the 2002 amendment. Many, but not all, states have "imported" *Daubert* into their jurisprudence. Some states have not, however, imported the *Joiner* or *Kuhmo* elaborations on *Daubert*. Some states have adopted a variation on *Daubert*, or have adopted *Daubert* in only limited types of cases. Other states have explicitly rejected *Daubert* and its progeny, and some state courts, while verbally disavowing *Daubert*, have themselves adopted similar standards.

Atlantic Legal played an influential role in the *Daubert* trilogy and later litigation seeking to establish that courts use their gatekeeping power to ensure that sound science is used as the basis for adjudication. Atlantic Legal has continually updated a comprehensive report on the status of *Daubert* and analogous cases or rules regulating the use of scientific evidence in state courts.

We believe this update is of substantial assistance to the legal and corporate communities and thus is in the public interest.

Parental Choice in Education - Charter School Advocacy

Charter schools, which only a few years ago were viewed with suspicion by many educators and energetically opposed by teachers' unions, now have been accepted and celebrated in most states. There are now 5,043 charter schools in thirty-nine states and the District of Columbia, serving 1.5

million students and their families. Secretary of Education Duncan has been quoted as saying charters are “crucial in the fight to turn around failing schools.”

Atlantic Legal has represented individual charter schools and charter advocacy groups in state and federal courts for more than ten years. Central to its work has been publication of its *Leveling the Playing Field* series, “What Charter School Leaders Need to Know about Union Organizing,” prepared by national employment law experts at Jackson Lewis LLP. To date, six editions have been distributed to charter school administrators and leaders, most recently, in 2009, in California which has 809 charters – more than any other state, and in Michigan. Publication of the Michigan guide came as affiliates of the AFT and NEA were active at three separate Michigan charters. The Mackinac Center for Public Policy, with which we collaborated, received numerous requests for extra copies from charter school activists.

Also, in 2009, with Jackson Lewis’ assistance, the Foundation published a guide which sets forth best employment practices for charters in Colorado, New Mexico, Utah and Wyoming.

Some charter authorizers’ renewal procedures have been infected with bureaucratic over-kill, needlessly distracting charter administrators from a central focus on student achievement. At the request of the New York State Charter Schools Association, the Foundation in 2009 undertook a study of New York charter renewal requirements and issued a report recommending changes to improve the process and to alleviate the regulatory burden. The Foundation’s recommendations, according to NYCSA President William Phillips, would streamline the renewal process in a way that provides the information necessary to make a proper renewal determination, while also benefiting charter school operators, authorizer staff, and ultimately the education of charter school students. Our recommendations are being considered by state officials and charter advocates.

Charter School Advocacy Program Website

The Foundation maintains a dedicated website, www.defendcharterschools.org, as a resource for charter school administrators, parents of charter school students, and supporters of the charter school movement, which is growing in content and scope.

The Foundation’s participation in charter school and public education activities is in the public interest because charter schools provide an innovative alternative to often failing public schools, and can result in superior educational outcomes.

Judicial Education

In September 2009, Martin Kaufman, Senior Vice President and General Counsel of the Foundation, participated on a panel discussing “*Frye-Reed and Daubert*” as part of a full-day program of the Maryland Judicial Institute on “Sound Science in the Courtroom” for Maryland state court judges. The panel also included Judge Joseph F. Murphy, Jr. of the Maryland Court of Appeals (the state’s highest court), Professor Lynn McLain, University of Baltimore School of Law, and Robert S. Peck, President of the Center for Constitutional Litigation.

The panel discussed Maryland law on the admissibility of expert evidence under the “*Frye/Reed*” standard and the *Daubert* standard adopted by federal courts and many states for admissibility of expert evidence.

Reed v. State is the landmark case in Maryland which adopted the rule of *Frye v. United States*, the 1923 federal case in which the “general acceptance” standard for the admissibility of expert testimony was articulated. *Frye* was substantially modified by the U.S. Supreme Court in 1993, in *Daubert v. Merrell Dow Pharmaceuticals*, which held that under the Federal Rules of Evidence the judge has an important “gatekeeping” role to ensure that a jury only considers reliable and relevant expert evidence, and articulated a flexible, multi-part test, including, but not limited to, “general acceptance” for trial courts to use in determining the reliability of expert evidence. In two later cases, *General Electric Co. v. Joiner* and *Kumho Tire Co. v. Carmichael*, the Supreme Court elaborated on its ruling in *Daubert*. The “Daubert Trilogy” has become the benchmark for assessing the admissibility of expert evidence in federal court, and also has been adopted by a plurality of states. Many states, however, including Maryland, have continued to use the *Frye* “general acceptance” test.

The theme of Mr. Kaufman’s remarks was the convergence of *Daubert* analysis and the application of the *Frye* test. State courts that nominally adhere to the *Frye* test are nevertheless using elements of *Daubert*’s flexible approach and focusing more on the issue of “reliability” because that approach is more consistent with the general purpose of rules of evidence than *Frye*’s narrow focus on “general acceptance.” *Frye* leads to the admission of evidence that has never been shown to be reliable, but is nevertheless generally accepted by a subgroup of experts who specialize in the field in question.

The Foundation’s participation in the Maryland Judicial Institute seminar is part of our efforts to educate the judiciary, the bar and the public about the importance of sound science in the law and is in the public interest.

Legal Education

Report on Salaries of New York State Judges (Legal and policy publication)

The Foundation issued a report on judicial compensation in New York State which called for increased compensation for the New York judiciary. The report compared and contrasted state judicial salaries with judge's compensation in other states, on the federal bench, and compensation of experienced attorneys in private practice. The report was celebrated by retiring Chief Judge Kaye of the New York Court of Appeals in her remarks at the New York County Lawyers Association's Centennial Dinner in December 2009, at which she stated:

I want to express my thanks – our thanks – for the support you have given us, most recently in the excellent report of the Atlantic Legal Foundation, a longstanding nonprofit, nonpartisan organization, whose Board of Directors and Advisory Council include this nation's leading commercial practitioners, many of them general counsels of major corporations.

Their concern is that judicial compensation in New York, having been frozen for more than a decade, cannot continue to provide the quality of judges needed for the complex controversies that flood our courts, even more so in this troubled economy. The report is a comprehensive, articulate call for freeing judicial compensation from the jaws of politics, and rallying business leaders to use their considerable influence to ensure that we will have a judiciary commensurate with New York's place in the nation and global marketplace.

The Foundation's report on judicial compensation was in the public interest because adequate compensation is an important factor in attracting and retaining superior lawyers to serve on the bench, and that is important to maintaining New York's status as a major commercial and legal venue.

Internship Program

Atlantic Legal again hosted an outstanding group of student interns during the spring and summer of 2009. They undertook many tasks—substantive and administrative—and participated in seminars designed to put the Foundation's projects in legal and historic perspective. It was a mutually-beneficial experience for both the interns and the Foundation. The interns undertook many tasks -- substantive and administrative -- and participated in seminars designed to put the Foundation's projects in legal and historic perspective. The interns clearly benefitted from their experience.

In addition to doing extensive research on current cases, Atlantic Legal's interns engaged in reading and discussion seminars concerning economic liberty, sound science, school choice, and individual rights. Atlantic Legal believes that educating students about limited, responsible and effective government, free enterprise, individual liberty, and sound science is fundamental to the survival of a free society.

Atlantic Legal's internship program serves the public interest because it gives law students, pre-law students and recent graduates exposure to public interest law and to public law and policy issues that they do not ordinarily get working for private law firms or other private employers.

ATLANTIC LEGAL FOUNDATION

ADDITIONAL DIRECTORS AND OFFICERS (NOT COMPENSATED)

Average hours per week devoted to position

Director/Chairman:

Hayward D. Fisk, Esq.*	2.5
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Director/Vice Chairman:

Douglas Foster, Esq.*	1
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Director/Secretary

Charles R. Work, Esq.*	1
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Director/Treasurer:

Stephen J. Harmelin, Esq.*	1
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The following are all Directors:

Augustus I. duPont, Esq.	1
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George S. Frazza, Esq.	1
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William H. Graham, Esq.	1
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Donald M. Gray	1
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Robert L. Haig, Esq.	1
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Joe G. Hollingsworth, Esq.	1
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Ernest B. Hueter	1
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R. William Ide, Esq.	.4
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Robert E. Juceam, Esq.	1
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Edwin L. Lewis, Esq.	1
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Jeffrey S. Sherman, Esq. **	.2
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* Executive Committee Member

** Elected to the Board on October 28, 2009

Directors (continued)

Robert A. Lonergan, Esq.*	1
William B. Lytton, Esq.*	1
Frank H. Menaker, Jr., Esq.*	1
Ernest T. Patrikis, Esq.	1
Gregory J. Morrow, Esq.	1
Victoria Rostow, Esq.	1
Thomas L. Sager, Esq.	.25
Philip R. Sellinger, Esq.	1
Clifford B. Storms, Esq.*	.75
David E. Wood, Esq.	1

Chairman *Emeritus*:

James I. Wyer, Esq.	.2
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Address for each:

c/o Atlantic Legal Foundation
 2039 Palmer Avenue
 Suite 104
 Larchmont, New York 10538

* Executive Committee Member

BYLAWS
OF
ATLANTIC LEGAL FOUNDATION

ARTICLE I

Name

1.1 The name of the Corporation is ATLANTIC LEGAL FOUNDATION.

ARTICLE II

Purposes and Powers

2.1 The purposes of the Corporation, as stated in its Articles of Incorporation, are to receive, administer and expend funds for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 or corresponding provisions of subsequent federal tax laws in connection with the following:

- a. To engage in nonpartisan legal research, study and analysis for the benefit of the general public as to the effect of evolving concepts of the law on our democratic institutions, with respect to both the public and private sectors;
- b. To engage in nonpartisan research, study and analysis for the benefit of the general public on those questions affecting the public interest with respect to both the public and private sectors;
- c. To provide legal representation and to assist other organizations in providing legal representation for the citizens of the United States of America, corporate or individual, on matters of public interest at all levels of the judicial process;
- d. To prepare educational materials and conduct educational activities in support of the general purposes of the Corporation;

- e. To conduct and sponsor forums, lectures, debates and similar programs;
- f. To assist other charitable and educational organizations, exempt under Section 501(c)(3) of the Internal Revenue Code of 1954 or corresponding provisions of subsequent Federal tax laws, in the conduct of similar activities;
- g. To establish in the main office or elsewhere all departments and activities necessary to carry out the purposes of the Corporation;

and, in addition the Corporation shall have unlimited power to engage in and to do any lawful act concerning the foregoing purposes.

2.2 The Corporation shall have such powers as are now or may hereafter be granted by the Pennsylvania Nonprofit Corporation Law of 1972, as amended from time to time.

ARTICLE III

Offices

3.1 The Corporation shall have its principal office in Harrisburg or such other location within or without the Commonwealth of Pennsylvania as the Board of Directors may from time to time determine.

3.2 The Corporation shall have and continuously maintain in this state a registered office, and may have other offices within or without the Commonwealth of Pennsylvania as the Board of Directors may from time to time determine.

ARTICLE IV

4.1 The Corporation shall not have members.

ARTICLE V

5.1 The affairs of the Corporation shall be governed by its Board of Directors.

5.2 The number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by the Board of Directors, but shall consist of not more than [twenty-five] thirty nor less than three directors. One of such directors shall be elected as Chairman, and another of such directors shall be elected as Vice Chairman, by a majority of the Board of Directors.

5.2.1 The directors shall be divided, only with respect to the time for which they severally hold office, into three classes, as nearly equal in number of directors as practicable, the term of office of the first class ("Class I") to expire at the 2008 annual meeting of directors, the term of office of the second class ("Class II") to expire at the 2009 annual meeting of directors and the term of office of the third class ("Class III") to expire at the 2007 annual meeting of directors. Each director shall hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of directors, commencing with the 2007 annual meeting, directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of directors after their election, with each director to hold office until his or her successor shall have been duly elected and qualified.

5.2.2 The Board of Directors shall increase or decrease the number of directors in one or more classes as may be appropriate whenever it increases or decreases the number of directors to constitute the full Board of Directors in order to ensure that the three classes shall be as nearly equal in number of directors as practicable.

5.3 The annual meeting of the Corporation shall be held on such date in each calendar year, at the registered office of the Corporation, or at such other location, within or without the Commonwealth of Pennsylvania, as may be determined by the Board of Directors and as shall be designated in the notice of said meeting, for the purpose of electing directors and for the transaction of such other business as may be properly brought before the meeting.

5.4 Special meetings of the Board of Directors may be called by or at the request of the Chairman, Vice Chairman, President or any two Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the Commonwealth of Pennsylvania, as the place for holding any special meeting of the Board called by them.

5.5 Notice of any special meeting of the Board of Directors shall be given at least two days previously thereto by written notice delivered personally or sent by first class mail or telegram to each director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these bylaws.

5.6 One-third of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that if less than one-third of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time-to-time without further notice.

5.7 The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these bylaws.

5.8 Any vacancy occurring in the Board of Directors or any directorship to be filled by reason of an increase in the number of directors, shall be by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

5.9 Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

5.10 Meetings of the Board of Directors shall be presided over by the Chairman or, if he is not present, by the Vice Chairman, or, if he is not present, by the President, or if he is not present, by a Vice President, or, if neither the President nor a Vice President is present, by a Chairman to be chosen at the meeting. The Secretary of the Corporation, in his absence, an Assistant Secretary, shall act as Secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the meeting shall choose any person present to act as Secretary of the meeting.

ARTICLE VI

Officers

6.1 The officers of the Corporation shall be a Chairman, a Vice Chairman, a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Treasurer, a Secretary and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more officers may be held by the same person, except the offices of President and Secretary.

6.2 The officers of the Corporation shall be elected annually by the Board of Directors initially and as soon as may be after the election of directors at the regular annual meeting of the

Board of Directors. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

6.3 Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

6.4 A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

6.5 The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. In the absence of the Chairman and of the Vice Chairman, he shall preside at all meetings of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bond, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws or by statute to some other officer or agent of the Corporation; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

6.6 In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents, in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

6.7 If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositaries as shall be selected in accordance with the provisions of these bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

6.8 The Secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with

the provisions of these bylaws; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

6.9 If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

ARTICLE VII

Committees

7.1 The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent permitted by law and provided in said resolution, or any amendment of such resolution shall have and exercise the authority of the Board of Directors in the management of the Corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law.

7.3 Each member of a committee shall continue as such until the next annual meeting of the Board of Directors and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

7.4 One member of each committee shall be appointed chairman.

7.5 Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

7.6 Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

7.7 Each committee may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the Board of Directors.

ARTICLE VIII

Contracts, Checks, Deposits and Funds

8.1 The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

8.2 All checks, drafts or other orders for the payment of money, notes for other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instrument shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Corporation.

8.3 All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

8.4 The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or device for the general purposes or for any special purpose of the Corporation.

ARTICLE IX

Books and Records

9.1 The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

ARTICLE X

Fiscal Year

10.1 The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XI

Seal

11.1 The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation.

ARTICLE XII

Waiver of Notice

12.1 Whenever any notice whatever is required to be given under the provisions of the Pennsylvania Nonprofit Corporation Law of 1972 or under the provisions of the Articles of Incorporation or the bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIII

Liability of Officers and Directors/Indemnification

13.1 An officer or director of this corporation shall not be personally liable for monetary damages for any action taken, or any failure to take action, unless:

- a. the officer or director has breached or failed to perform the duties of his office under Section 5712 (15 Pa.C.S.A. Section 5712) of the Pennsylvania Associations Code (or any future act or provision relating to the standard of care and justifiable reliance); and
- b. the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

13.2 Article 13.1 shall not apply to:

- a. the responsibility or liability of an officer or director pursuant to a criminal statute; or
- b. the liability of an officer or director for the payment of taxes pursuant to local, state or federal law.

13.3 Every person who is or shall be or shall have been an officer, director, employee,

agent or other representative of the Corporation, or a personal representative of any of the aforesaid, shall be indemnified by the Corporation to the fullest extent allowed by law.

13.4 The Corporation may purchase and maintain insurance on behalf of the aforesaid persons to the extent authorized by law.

13.5 Any provision of these By-laws to the contrary notwithstanding, this Article XIII of the Bylaw may not be amended or repealed except by the directors of this Corporation.

ARTICLE XIV

Informal Action

14.1 Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if written consent or consents thereto are signed by all members of the Board of Directors or of the committee, as the case may be, and such written consent or consents are filed with the minutes of proceedings of the Board of Directors or the committee.

ARTICLE XV

Amendments to Bylaws

15.1 These bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, provided that at least two days' written notice is given of intention to alter, amend or repeal or to adopt new bylaws at such meeting.

Article 5.2 and 5.10 amended at a meeting of the Board of Directors, September 14, 1977.

Article 6.5 amended at a meeting of the Board of Directors, September 20, 1978.

Articles 5.2, 5.10, 6.1 and 6.5 amended at a meeting of the Board of Directors, February 26, 1981.

Articles 5.4, 5.6, 7.2 and 14.1 amended at a meeting of the Board of Directors, September 22, 1982.

Article 1.1 amended at a meeting of the Board of Directors, March 4, 1988.

Article 13.1, 13.2 and 13.5 added and former Articles 13.1 and 13.2 renumbered at a meeting of the

Board of Directors, June 21, 1996.

Article 5.2 amended and Articles 5.2.1 and 5.2.2 added at a meeting of the Board of Directors, March 17, 2006.

Article 3.1 and Article 5.2 amended at a meeting of the Board of Directors, June 23, 2006.

Article 5.3 amended by unanimous written consent of directors, June 17, 2008.

Article 5.2 amended at a meeting of the Board of Directors, October 28, 2009.